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CORPORATION TRAINING SCHOOLS FOR COLLEGE MEN

With the increased attention which is being given by universities to the training of students for business there has come an increased interest among both college authorities and employers in the problem of adjusting the inexperienced graduates of the schools of commerce to the practical affairs of business. College teachers and administrators understand fully that their graduates are not qualified to assume at once the duties of responsible business executives. They know that every man must pass through an apprenticeship in order to acquire an intimate personal knowledge of general business practices, to develop sound judgment or business sense, to gain skill in dealing with men, and to learn, in addition, the technique of the particular industry or occupation with which he is to be connected. It is their belief, however, that the period of such an apprenticeship will be materially shortened by the training which the college graduate has received and that ultimately he will have a broader view of business because of the foundation which he has laid in college.

Business men are coming to have a more considerate attitude toward the college man, not because of his immediate usefulness but because of his potential value. They are realizing, also, that any growing industrial or financial concern which requires a large

personnel must have as an essential part of its organization a comprehensive educational scheme. A number of companies have, therefore, developed carefully organized plans for training college men in order to facilitate their transition from the academic environment to the practical business world. This movement has attained sufficient headway to justify a study of its progress, methods, and results. It is believed that such a survey will be of interest to business men, college instructors, and students.

The information upon which this paper is based was obtained from representatives of some of the leading corporations of the country. A questionnaire was sent to four hundred and forty-four companies; answers were received from two hundred and thirty. Fifty-seven reported more or less definitely organized educational plans for college men. Thirty-seven stated that while they had no regular course they were glad to receive college men and let them "work up." Others stated that they were interested in the plan and were considering its adoption. In this paper I have eliminated all discussion of educational or apprenticeship plans for training employees for the trades or for purely clerical positions.

The fifty-seven corporations which reported the maintenance of training schools for college men are quite representative, being distributed over numerous classes of the manufacturing industry, the petroleum industry, domestic merchandising, foreign trade, banking, insurance, railroads, and other public utilities.¹ It is hardly necessary to state that all of these industries possess the advantages of large-scale production.

An examination of the dates of the establishment of the various plans of training discloses an interesting trend. The earliest date mentioned in the responses to the questionnaire is 1889, at which time the Westinghouse Electric and Manufacturing Company inaugurated its first plan. Prior to 1910 but seven of these companies had training plans. From 1910 to 1917 (inclusive) seventeen schools were started and during the three years 1918-20 twenty-six

¹ Classification according to the nature of the business is as follows: manufacturing, 25; petroleum, 3; merchandising, 3; foreign trade, 4; banking, 5; insurance, 2; railroads and other public utilities, 12; miscellaneous, 3.

plans or 45.6 per cent of the total were inaugurated.¹ One company, not included in the summary, stated that it had attempted such a plan but had abandoned it.

It is worth while noting that this progress as indicated above, while not exactly synchronous with the development of the collegiate schools of commerce, has followed closely along parallel lines. It required a few years for these schools of commerce to justify themselves by the results and to win the confidence of employers. Seeing the willingness of the colleges to adapt their courses of instruction to the changing economic conditions in order to meet the needs of those young men who contemplate following business careers instead of the professions, and appreciating the value of such college training, business men are showing a fine spirit of co-operation by providing what might be called, for lack of a better term, "postgraduate" courses in their respective industries. It is analogous to the very excellent plan of giving the graduate of the medical school further instruction and practice, as an interne in a hospital.

The time and frequency of beginning classes depends somewhat upon the length and character of the training courses. In the majority of cases in which information was given on this point, it is stated that students may begin at any time. Six open their courses once a year, in the summer or early fall. Eight receive students twice a year—one course beginning in the summer or fall and the other in the winter or spring. Three begin their courses four times a year—two of them in January, April, July, and October, and one of them at irregular intervals. Two commence their courses five times a year. Fourteen companies did not answer this question.

As to the length of the training courses there is much diversity.² This variation in length seems to be due in part to the differences

¹ In seven cases the date was not stated.

²	No. of Companies	Length of Term
	7.....	1 - 6 weeks
	14.....	1½ - 6 months
	8.....	6 - 12 months
	15.....	1½ - 2 years
	3.....	2½ - 4 years
	Ten companies furnished no information.	

in the types of work for which the young men are to be trained and in part to the differences in the interpretations placed upon the question. Where the object is to train men for salesmanship and office positions, the periods of training are short. On the other hand, where the purpose is to develop factory superintendents or other executives requiring a thorough knowledge of technical processes and a considerable degree of mechanical skill, a longer time is required. Again, where the student is given a brief preliminary training and set to work in some definite department on productive work, the period of this preliminary training is short. In practice, doubtless, the real training period is longer, inasmuch as the student is usually under the direction and supervision of some official who is constantly instructing him.

The compensation during the training period in 1920 was in the main based on the cost of living in the respective cities, although in some cases experience was a factor in determining the amount paid. In those companies where the training was of long duration, the initial salary or wage was low but was increased with length of service. The compensation for training for foreign service was usually higher than that for preparation for employment in the United States. The predominant rate was from \$20 to \$25 per week.¹ In some cases additional allowances were made for expenses when traveling in the employ of the company or on demonstration trips. In only two instances was no compensation whatever given.

The number of graduates that are annually admitted to business through the medium of these training schools deserves notice. Fourteen corporations gave no information upon this point, two explaining that their schools were too new to give accurate figures.

¹ The companies reporting definite salaries or ranges of compensation may be grouped as follows:

No. of Companies	Pay Offered Per Week
2.....	\$10-\$12.50
4.....	15- 19.00
17.....	20- 25.00
8.....	25- 30.00
2.....	25- 35.00
2.....	30- 35.00

Fourteen failed to answer the question.

Eleven state that the number is indefinite, depending in one instance upon the number of desirable men available and in others upon the expansion of business and the frequency of resignations and dismissals. Thirty-four companies give approximate figures which range from 5 to 300.¹ The highest figure is given by a large wholesale house and by an insurance company. Those industries which provide training especially for technical experts admit the larger numbers. By computing the total it is found that these thirty-four companies accept from 2,000 to 2,400 students each year. Making a very conservative estimate of the numbers admitted by the other twenty-three companies, it is safe to say that employers are providing at their own expense training for from 2,500 to 3,000 college graduates each year. It is impossible to state definitely just what proportion of these are the product of collegiate schools of business and colleges offering business courses and what proportion are graduates of the technological schools. Probably two-thirds are from the former. Assuming the average length of the training period to be nine months and the average compensation to be \$140 per month, the cost (in salary) of training from 2,000 to 3,000 men each year is from \$2,500,000 to \$3,800,000. This does not include the expense of providing instruction and equipment and other incidental outlays. It should be borne in mind also that in thirteen companies the work of students is non-productive and in nineteen others it is semi-productive. These figures show that business is willing to bear its fair share of the cost of assimilating the output of the college into the industrial, commercial, and financial life of the country.

¹ These companies may be classified as follows:

No. of Companies	No. of Applicants Admitted
3	5
1	6- 15
8	10- 20
4	20- 25
3	30- 40
5	50- 60
4	80-100
2	120-150
2	200
2	300

The type of training naturally depends upon the general purpose in view, the nature of the business, and the character of the work to be performed by the recruit after he has finished his course. The purposes of the courses as stated in the replies range from the humanitarian one "to give that education which is life, directed by purpose in order that there need be no 'period of adjustment' after graduation" to the utilitarian one of developing specialists in some technical line.

In order to give an idea of the various views, I shall quote from a number of typical answers. Some of them lay emphasis upon their attempt "to give a comprehensive knowledge of the business"; "to broaden them before initiation into a definite branch of the service"; "to give students a thorough knowledge of the manufacture, care, and use of our product in order that real service may be rendered to customers"; "to familiarize students with what we make, how we make it, and how to sell it"; "to give young men the point of view of our factory"; "to give college graduates practical experience in the manufacture and sale of our product which results in their becoming the best material for executive positions." Others stress the advantage of the course as a means of sifting and selecting future minor executives: "to bring into the organization college men of a desirable type"; "to attract college men, to discover good ones, to lose or discourage poor ones, to acquaint good ones with our business"; "to select the right man for each position"; "to meet the company's requirements for trained men"; "to create a constant source of picked young men who have the advantage of a general knowledge of the production of our products." Still others mention specific purposes—such as the fitting of men for service in foreign work, or as salesmen, office and factory executives, or as specialists in engineering lines.

Naturally in view of the differences in respect to the chief aim of the training course, the differences in the nature of business details, and the variety of positions for which students are trained, we would expect to find great differences in the length of the training courses and the plans pursued.

From an examination of the educational plans, three types may be observed. The first class may be called "study courses."¹ The

¹ Thirteen companies have this type of training.

chief purpose of such courses is to give a broad basic knowledge of the business so that the man may have a general understanding of the whole working of the organization, the interrelation of its departments, its policies, practices, products, and its future possibilities. One company says that "the student's time is spent in learning *about* production methods, office procedure, sales methods, etc." It aims to bring the men to a state of proficiency by means of intensive training covering a short period of time, seldom more than six months. Consequently, their work is wholly non-productive, although they receive pay during the period of training. The educational plan is carefully worked out including usually the following methods: study of textbooks and instruction sheets with recitations and discussions; reports on work; examinations; conferences with instructors and specialists; outside reading; lectures by officials or others; inspection trips with reports upon them; and some practical work. Often full-time instructors are employed and records are kept of the progress of students and their personal characteristics. A full discussion of pedagogical methods would lead us too far afield.

As illustrative of the educational methods used, I quote from two reports:

Written instructions covering analysis of catalogs with questionnaires constitute the only examinations; observation trips through factory with written descriptions of manufacturing processes to be studied afterward; lectures, conferences, practical work in making up systems, etc.

Weekly conferences are held with executives at the works and the students are allowed to ask questions and all of the various phases are carefully covered during the ten-months period. Weekly trips are made to installations and to other companies. Questions are submitted covering the class of work students are studying in order that they may more readily grasp the important points.

At the other extreme are the "practical or work courses."¹ Their chief purpose is to give the men practical experience, to develop a group of trained men from which superintendents and executives may later be selected. Little if any attention is given to formal study. The time of the men is productive from the beginning. They are assigned to the several departments and

¹ Sixteen companies have adopted this type.

rotated at intervals. They are supposed to acquire their knowledge from observation, by repetition of the processes, and by asking questions of their fellow-employees and foremen. Often they have no supervision other than that given to employees in the department. Occasionally conferences are held with engineers supplementing the practical experience in the shops. Examinations and reports are required in some cases.

As indicating the policies of those who put the students at productive work the following statements are cited:

Men are shifted from one department to another after having actually done the work with their own hands. A regular schedule is maintained and adhered to as far as possible for each member.

Mere skill in operating is not the real object, although in certain work the student must attain a certain degree of skill in production. The emphasis is placed on correct principles and methods. Assignment to departments depends entirely upon the relative importance of the departmental work.

Periodic lectures by department heads are given on vital subjects. Students are frequently referred to technical men to gather information. Students answer questionnaires after leaving one department. Students are referred to standard books for outside reading.

Questions covering broadly each field of work are given the student at the time of each transfer. Weekly conferences are held with engineers. Outside reading is assigned, optional outside lecture courses are available. Observation trips are made to local industries. Written reports are required from time to time. The basis of the training period, however, consists of practical work under shop discipline on our various products.

Between these two types are the "study and practice courses" which seek to combine the instructional features of the first with the practical methods of the second.¹ The proportion of time given to productive and non-productive work varies in different cases. The kind and the amount of the practical work are determined by its educational value and not by its productivity or the needs of departments. The chief object is to give the student a varied experience and at the same time a comprehensive insight into the business as a unit. The length of the course is longer than that of the first type but usually shorter than that of the second. The methods of the other two types are used.

¹ Nineteen companies use the "study and practice course."

The following are representative answers furnished by companies requiring some productive work of students:

New employees are first placed in the Correspondence Division where they are taught principles of business correspondence, methods of procuring information needed to answer letters, principles of adjustments of complaints by letters, etc. After about two months the student's work becomes productive and he gradually increases in value.

Work is productive at times. Production is not allowed to interfere with progress in experience work. Persons are not assigned to a particular department until after training course.

The student's time is non-productive for at least three months. At the expiration of that time he is given a definite assignment pending his permanent assignment to a foreign or domestic office. During the first three months he spends his time largely in observing the methods of the various departments.

Where the purpose of the training is to prepare men for engineering positions, their work is generally productive; where the purpose is to prepare men for office or commercial positions, their work is usually non-productive or semi-productive.

The characteristic which is common to all types of corporation training is its definite application to the specific duties which the students will have to perform in technical or administrative positions. It presupposes, as a basis, a mental discipline and a general theoretical knowledge of business or a technological training.

In response to the question concerning the previous education required for admission to the training school, ten companies made no answer. Three state that the course is not exclusively for college graduates and that applicants with high-school education are received. Two require at least two years of college work. Thirty-seven admit no applicants who are not graduates of colleges (preferably with a business course), collegiate schools of business, or engineering schools. Three of these require in addition some business experience. Five make no mention of formal educational qualifications, but stipulate that preliminary experience (in banking, office work, salesmanship, or mechanical trades) is essential to eligibility.¹

In the selection of applicants forty-two companies assert that an interview is necessary and four state that it is preferred or

¹ It is presumed that such persons must have had at least a high-school training.

generally used. Only one signifies that an interview is not required.¹ Twenty-three companies—one-half of those reporting on this point—make advances by sending their representatives to visit colleges for the purpose of holding interviews with seniors. Eleven do so occasionally or by arrangement, and two are contemplating adopting the plan. Eight make no visits.²

Fourteen companies admit juniors or other undergraduates for summer training; thirteen do so seldom, or only in exceptional cases or only with the understanding that the students will return to the company; three are considering it; one tried it successfully last year as a process of selection; fourteen do not admit undergraduates at all.³ It would seem that the practice of receiving undergraduates upon terms which would protect the company would have the advantages of affording the company the opportunity to sift the men, of giving the men a chance to find out whether or not they would like the industry, and of shortening the period of apprenticeship—especially in those industries in which a long time is required to learn the technical details of the business.

All of the twenty companies furnishing information concerning the success of the plan express satisfaction with the results. None of them seems to use mathematical methods or psychological tests in the measurement of success. Their opinions are based upon (1) the attitude and interest of the student in his work and his effort to make himself efficient; (2) his accomplishment, his self-development, his demonstration of initiative, and his grasp of instruction during the course as indicated by reports handed in by the student and by reports filed when he has completed the course; (3) reports from foremen and superintendents and the judgment of experienced men as to how students react; (4) the student's subsequent performance after completion of the course (not necessarily immediate but with due regard for the future), his ability to fill positions of responsibility, his service to the company, his constant development, and his continuance with the company.

¹ No answers were received from ten companies.

² No answers were received from thirteen companies.

³ Twelve companies made no report on this point.

Two statements deserve quotation in full:

The success of the course is measured by labor stability, efficiency, output, smaller force, spirit, material measured, charts, graphs, tables, and labor turnover figures.

A very careful record is kept of each man's progress throughout the entire course. His work is corrected from time to time and a mark established, which he must equal in order to graduate from the class. A card index of each individual is kept after he leaves the school, which is brought to the attention of the sales manager each week.

The success of any plan depends upon the outline of a rational course adapted to the needs of the particular industry, the employment of competent and inspiring teachers, the careful selection and close supervision of students and the hearty co-operation of the officers of the company.

The kind of work to which students are assigned after completion of the course depends upon their particular aptitudes, qualifications and preferences, the openings available at the time, and the nature of the business. In some cases the first assignment is upon work which is more or less routine in character, with later advancement as the industry and progress of the student justify and the departmental requirements demand.¹

While the far-sighted college graduate is more concerned in the opportunity for a career in a prosperous and progressive business than in the immediate pecuniary reward, he is nevertheless interested in knowing what compensation may be expected after completing the training course. Fifteen of the fifty-seven companies gave no information in reply to this question. Twenty-four companies state that the initial salary is not fixed, the amount depending upon the individual's ability, the nature of the position, and the business conditions. In one case the remuneration is in the form of a commission. The salaries paid by those companies which reported specific sums range from a minimum of \$100 to

¹ The usual classes of employment are the following: clerical, foremanship, technical (leading ultimately to executive work), salesmanship (including district management), advertising, accounting, statistical, credits and collections, traffic, design or research, engineering, and executive.

\$325 per month.¹ The amount of initial salary is generally larger where the training period is long.

One of the most interesting parts of the reports is found in the answers to the question: "How can closer co-operation between employers and business schools of collegiate rank be secured?"² Practically all of the companies which answered this question emphasized the importance of cultivating mutual understanding between schools and employers. Among the suggested means of bringing this about are the following: "frank discussions of the collegiate courses, criticisms both of college work and company training plans"; "schools forming a large personal business acquaintance"; "schools sending instructors direct to the places of business of clients"; "frequent visits of instructors to large organizations to learn at first hand what problems will confront their graduates"; "faculty men spending their vacations in industry getting the industrial atmosphere and point of view"; "visits to plants by the representative of the school who is in charge of placing graduates"; "conferences of deans and placement officers with employment managers and employers"; "encouragement of visits by practical men to the college, not only to deliver lectures but to mingle informally with the undergraduates"; "establishment by industries of departments for the purpose of co-operating with, and being of service to, the educational institutions"; "having schools keep before employers the type of service which they are able to render"; "on the part of the employer an analysis of his needs and the determination of the characteristics necessary for success with his company, and on the part of the schools an analysis of the requirements of business."

The suggestion is made that closer co-operation might be secured by the college making a "careful rating of its graduates and by the employer advising the college from time to time as to the progress of its graduates in order to guide them in future

¹ These companies may be roughly classified as follows:

No. of Companies	Paying Monthly	
	Over	Under
4.....	\$100	\$120
7.....	125	167
4.....	150	200
2.....	175	325

Thirty-three expressed no opinion on this point.

selections." Similar to this is the advice that colleges maintain a closer "follow-up" of graduates after they enter business. A few companies advocate the teaching of practical subjects; others stress the need of turning out the highest grade of students and the developing of vision in them. A friendly reminder is found in the admonition that there should be "a clearer interpretation to the student by the college of the progress that can reasonably be expected in the first few years after graduation." The fine spirit of the employers is well evinced in two statements which I shall quote:

Our experience has shown that the best co-operation between the university and the employer is brought about by the periodical interchange of visits. Teachers of business subjects visiting large establishments in adjacent territory and becoming personally acquainted with executives interested in college men, are enabled to recommend the men best fitted for the work in view. After a little experimenting the teacher is able to discriminate in selection and as his average selection becomes higher, the employers will look to his school as a supply for executives. On the other hand, it is usually not difficult to induce the employers who are interested, to appear in person or send suitable representatives to address classes on business subjects, thus establishing a close connection between the employer and the school.

If the colleges of the country are to train men for business life, there must be close co-operation between such institutions and the employer. The employer must lay his problems before the school, outlining the type of work required and the problems of his business, together with all information pertaining to the particular kind of industry in which the employer is engaged. From this the school can judge the particular type of man who might be fitted for such a career and shape their education so as to give them a foundation for the work ahead. There should be an annual conference held in some big city of the United States between representatives of the employers interested in securing college men, and the heads of various institutions training men for such work. Such co-operation would result in a broader and better field for college men, and a better source of supply for the employer.

This brief survey shows an increasing trend in favor of providing means to effect a ready adjustment of college graduates to business life; the willingness of business men to co-operate in a most cordial way with educational institutions; and a disposition on the part of employers to subordinate the motive of immediate gain to the educational purpose. Collegiate schools of business are willing to do their part in laying the foundations upon which this superstructure of professional training must be erected.

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